

**O/442/17**

**TRADE MARKS ACT 1994**

**TRADE MARK APPLICATION No. 3146477**

**BY CKL HOLDINGS NV**

**AND**

**OPPOSITION No. 406941**

**BY PAPER STACKED LIMITED**

## Background and pleadings

1. This is an opposition by Paper Stacked Limited (“the opponent”) to an application filed on 27<sup>th</sup> January 2016 (“the relevant date”) by CKL Holdings NV (“the applicant”) to register ALEXANDER as a trade mark.

2. The application was published for opposition purposes on 8<sup>th</sup> April 2016. It originally covered a range of goods in classes 18, 20 and 25. However, four separate oppositions were filed against the application. Three of those have now been finally determined. As a result of the other oppositions the application now only covers *mirrors and picture frames* in class 20. Consequently, it is only necessary to determine this opposition to the extent that it covers these goods.

3. This opposition was filed on 7<sup>th</sup> July 2016. It is directed at all the goods covered by the application. The grounds of opposition are that:

(1) The mark solely comprises a common first name which is used and/or registered by several undertakings in the United Kingdom (often in conjunction with other distinctive elements) for the respective goods. The mark is therefore devoid of any distinctive character and should be refused under s.3(1)(b) of the Act.

(2) The applicant has no *bona fide* intention to use the mark and therefore registration should be refused under s.3(6) of the Act on the ground that the application was made in bad faith.

4. For reasons that will become clear I consider the bad faith allegation to be the central issue in this case. As bad faith is a serious allegation the opponent’s full pleaded case under this heading is set out below.

*“The applicant has no bona fide intention to use the mark. The Applicant has filed several hundred trade mark applications in numerous territories (mostly within the European Union), the majority of which comprise of common first names. There is no commercial logic for the present trade mark application,*

*and the purpose of this application therefore appears to be solely for the purpose of preventing third parties from entering the market or registering genuine trade marks in the United Kingdom or the European Union. The Applicant's conduct and trade mark filing activity (including the present application) depart significantly from the accepted principles of ethical behaviour or honest commercial and business practices. In particular, the trade mark covers goods for which the full name of the designer or producer is used as a trade mark, and where there are numerous legitimate designers/producers with the forename ALEXANDER already on the market."*

5. The applicant filed a counterstatement denying the grounds of opposition. I note, in particular, that the applicant:

- Points out that it is entitled to a presumption of good faith unless the contrary is proven.
- Pleads that *"the bona fide intention to make use of the subject mark if and when it achieves registration can, according to UK law, only be evaluated in the course of a revocation action due to non-use after 5 years of registration."*
- Claims that it is the owner of only 8 marks in the UK, which cannot be considered excessive or inconsistent with normal business practices.
- Claims that the application was therefore filed in good faith.

6. Both sides seek an award of costs.

## **Representation**

7. The opponent is represented by Williams Powell, Trade Mark Attorneys. The applicant is represented by Trademarkers Merkenbureau C.V. which is based in the Netherlands and communicates from the email address 'tm.ipo.uk@gmail.com'.

## The evidence

8. Only the opponent filed evidence.

9. The opponent's evidence consists of two witness statements by Mr John Reddington who is a trade mark attorney at Williams Powell. Mr Reddington's first statement shows that the applicant is incorporated in Holland. The company is trading and its main activities are recorded as "*motion picture, video and television programme activities.*" I note that until 2013 the company was called 'Bigfoot Properties (Europe)'.<sup>1</sup> The sole director of the company is Mr Michael Gleissner.

10. Mr Reddington's evidence also shows that Mr Gleissner is a director of over 1200 UK companies, which I note include Trump International Ltd and EUIPO International Ltd.<sup>2</sup>

11. According to an extract from the Wikipedia in evidence, Mr Gleissner is an entrepreneur who established an e-commerce business called Telebuch which he later sold to Amazon. In 2002, he established Bigfoot Entertainment to finance and develop feature films, documentaries and reality TV shows for the US market. In 2010 he co-founded Fashion One TV, an international channel that broadcasts all around the world.<sup>3</sup>

12. Although the applicant only holds 8 UK trade marks it holds hundreds of marks in the US, Benelux and elsewhere.<sup>4</sup> Many of the marks applied for or registered by the applicant consist of common names, such as ANNA, JESSICA, JULIA, ALAN, HOWARD, CHRISTINE, ELIZABETH, RYAN, PAUL, PETER or other common words, such as the names of colours, BLUE, SAND, EBONY, EMERALD. I note that 6 of the 8 applications applied for in the UK (including the subject application) were opposed by third parties. This contrasts with a usual opposition rate of 4.5% of published marks.

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<sup>1</sup> See exhibit JR1

<sup>2</sup> See exhibit JR2

<sup>3</sup> See exhibit JR2 pages 128- 134

<sup>4</sup> See exhibit JR3

13. The applicant has also registered more distinctive names, such as EUIPO and TESLA in the Benelux and holds an international registration for BAIDU, which is the name of the largest web services company in China.<sup>5</sup> Other companies controlled by Mr Gleissner are reported to have applied to register marks which are well known in the US or Europe, such as THE HOME DEPOT, ENRON, THE LEARNING CHANNEL and PAN AM.<sup>6</sup>

14. Mr Reddington exhibits the results of a Google search he conducted which failed to reveal any use of the marks applied for by the applicant in the UK, or around 50 similar (forename) marks applied for in the US.<sup>7</sup>

15. Mr Reddington also provides examples of the applicant using trade marks consisting of a forename in order to oppose third party marks consisting of a full name including the same forename. Two of these involve oppositions at the EUIPO to applications to register ALEXANDER SMITH and ALEXANDER BENNETT.<sup>8</sup>

16. The cancellation division of the EUIPO appears to have cancelled the applicant's registration of BAIDU as an EU trade mark. I note that the EUIPO held that the applicant must have known about the well known identical Chinese trade mark, that the applicant's website contained reports indicating that when approached the applicant expected to sell the mark to the Chinese company, that the applicant had no intention of using the trade mark in accordance with its essential function, and had registered the trade mark in bad faith.<sup>9</sup>

17. Mr Reddington draws attention to my own decision in case BL O-015-17 in which I struck out applications filed by three companies owned by Mr Gleissner to revoke 68 of Apple Inc.'s UK trade marks for non-use on the grounds that the applications for revocation were an abuse of process. In relation to this point, Mr Reddington provided copies of articles from, inter alia, World Trade Mark Review, IPKat and DomainNameWire about Mr Gleissner, which speculate as to the reasons Mr

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<sup>5</sup> See exhibits JR3, page 42 and JR9

<sup>6</sup> See pages 3 and 64 of exhibit JR7

<sup>7</sup> See exhibit JR8

<sup>8</sup> See exhibit JR7

<sup>9</sup> See exhibit JR5 pages 29-37

Gleissner has registered thousands of companies and trade marks in the UK, US, EU, Benelux, Portugal and elsewhere. One of the theories being that he is a trader in domain names and uses registered trade mark to obtain ownership of them.<sup>10</sup>

18. In this connection, Mr Reddington provides some evidence about attempts by companies controlled by Mr Gleissner to obtain domain names corresponding to third party trade marks. In *Compania Mexicana de Aviacion, S.A. de C.V. v Bigfoot Ventures LLC* (another of Mr Gleissner's companies), a UDRP panel found (in 2008) that the respondent had obtained the domain name vtp.com in bad faith. According to the panel's findings, VTP was a trade mark of a Mexican airline which had been in use for 75 years. The respondent was using the domain name to direct traffic to a parking website which contained links to travel offers from competitors of the complainant. It also contained a link to another site which offered the domain name for sale for \$148k. The panel directed that the domain name should be transferred to the complainant.<sup>11</sup>

19. In a more recent case Bigfoot Ventures LLC has been held to have engaged in attempted 'reverse domain name high jacking.' That is using the Uniform Domain Name Dispute Resolution system in an attempt to acquire the domain name slized.com. The report of the case indicates that Bigfoot Ventures LLC claimed, without justification, that its registered trade mark SLIZED had a reputation as a "global brand." The adjudication panellist upheld the respondent's complaint that the applicant had misrepresented its use of the trade mark and was trying to hijack the domain name.<sup>12</sup>

20. Finally, according to an article published on worldtrademarkreview.com on 18th November 2016, the Trademarks Manager at Bigfoot Entertainment Pte Ltd (another of Mr Gleissner's companies) who is called Marco Notarnicola, once listed his job responsibilities on LinkedIn as including "*manipulating trademarks to reverse hijack domain names through UDRP*", although this comment was subsequently removed.

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<sup>10</sup> See exhibit JR7

<sup>11</sup> See exhibit JR6

<sup>12</sup> See exhibit JR1B pages 35-41

A copy of the original post is in evidence.<sup>13</sup> I note that Mr Notarnicola also recorded his duties as *“personally filing, prosecuting and supporting litigation for -20 per month oppositions and cancellation actions based on non-use, invalidity at all procedural stages, including appeals”* and *“exploitation of legal instruments such as “priority chains” in country members of the Paris Convention.”*

21. I note that the applicant’s counterstatement in this case was signed by Marco Notarnicola.

### **The section 3(1)(b) ground**

22. Section 3(1)(b) is as follows:

“3(1) The following shall not be registered –

- (a) -
- (b) trade marks which are devoid of any distinctive character,
- (c) -
- (d) -

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

23. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*<sup>14</sup> as follows:

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<sup>13</sup> See exhibit JR1B, page 9

<sup>14</sup> Case C-265/09 P

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as

compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37).”

24. The case law in relation to the distinctiveness of personal names was set out by the Court of Justice of the European Union (“CJEU”) in *Nichols plc v Registrar of Trade Marks*.<sup>15</sup> The CJEU’s judgment makes it clear that personal names are not devoid of distinctiveness *per se* and that it is not appropriate to apply stricter criteria to the assessment of the distinctiveness of personal names than to other types of marks.

25. The opponent’s case is that ALEXANDER is a common first name which is used and/or registered by several undertakings in the United Kingdom (often in conjunction with other distinctive elements) for the respective goods.

26. Firstly, there is no evidence that ALEXANDER is currently used by third parties in relation to mirrors or picture frames or similar goods. Secondly, the fact that ALEXANDER is used or registered by third parties as a trade mark, or as part of a trade mark, is irrelevant to the distinctiveness of the contested mark. If anything, this suggests that the name is capable of functioning as a trade mark.

27. Although ALEXANDER is a common forename (and a surname) I see no reason why, as a matter of principle, it is not capable of distinguishing the trade source of mirrors and picture frames. Absent any relevant evidence to the contrary, I find that the opposition under s.3(1)(b) fails.

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<sup>15</sup> Case C-404/02

## Section 3(6) ground – bad faith

28. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

29. The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*:<sup>16</sup>

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the

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<sup>16</sup> [2012] EWHC 1929 (Ch)

allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT*

*WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

30. The opponent's case appears to be based on the following factors. Firstly, that the sole director of the applicant, Mr Gleissner, owns a very large international

network of companies through which he has acquired and holds a wide portfolio of trade marks. Secondly, that the only evidence of use of these marks is in legal proceedings in order to oppose or cancel third party trade marks and/or to acquire domain names. Thirdly, that the present application forms part of a pattern of behaviour whereby applications are made to register trade marks consisting of common words which are most likely to come into conflict with the trade marks of third parties. Fourthly, that this is part of a wider strategy to register multiple trade marks and companies in numerous jurisdictions in order to gain commercial benefit from blocking the use of identical or similar trade marks by third parties and/or acquiring domain names with commercial value. In short, the application is said to be part of a systematic abuse of the trade mark registration system.

31. The applicant filed no evidence in response. It did file written submissions. However, these do not address the specific case presented by the opponent and instead merely repeat the general points made in the counterstatement.

32. The applicant is CKL Holdings N.V., not Mr Gleissner. However, As Professor Ruth Annand, as the Appointed Person, held *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation*:<sup>17</sup>

*“ 22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application.”*

33. Mr Gleissner is the sole Director of, and therefore controls, the applicant. Accordingly, Mr Gleissner’s motives can be attributed to the applicant.

34. In my judgment, the opponent has presented a *prima facie* case that the contested mark is part of a blocking strategy intended to obtain financial benefit from third parties who are likely to be already using, or who are likely in the future to wish to use, trade names including, in this case, the name ALEXANDER in order to distinguish their goods or services.

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<sup>17</sup> BL O-013-05

35. Taken together with the opponent's evidence that (1) none of marks applied for in the UK (or US) appear to have been used, (2) the absence of any apparent commercial logic for the filing pattern of the applicant and/or Mr Gleissner's other companies, and (3) the evidence that companies controlled by Mr Gleissner have been found to have abused legal systems, I find that opponent has also made out a *prima facie* case that, at the time of filing the application, the applicant had no intention of using the mark in accordance with its essential function. That is to say using the mark to distinguish the goods/services of the applicant from those of other traders.

36. Applying to register trade marks in these circumstances may justify an allegation that the unused mark has been applied for in bad faith. In this connection, I note that in *EUIPO v Copernicus-Trademarks Ltd*<sup>18</sup> the General Court held that filing an EU trade mark application as part of a blocking strategy, and with no intention of using the trade mark in accordance with its essential function, was an act of bad faith.

37. The case before the General Court involved an unlawful strategy of filing repeated trade mark applications at national offices as part of a blocking strategy. The fees to register the national marks were not paid unless or until a third party filed an application to register the same or similar mark as an EU trade mark. In these circumstances the respondent filed an application for a corresponding EU trade mark. It then opposed the earlier filed similar EU mark on the basis of the priority date of its earlier filed national trade mark application. I understand that this is the practice Mr Notarnicola once described as "*exploitation of legal instruments such as priority chains*". It is true that, unlike in this case, there was sufficient information in the case before the General Court to identify the victim of the blocking strategy. However, I do not consider that the position is any different where, as here, the application is filed on a speculative basis and before the intended blocking effect manifests itself. Indeed it is implicit in the judgment of the General Court that the national applications filed on a repetitive and speculative basis in order to maintain a priority claim over possible third party EU trade marks were part and parcel of what the court described as an "*unlawful filing strategy*."

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<sup>18</sup> Case T-82/14

38. The applicant has not really answered the opponent's *prima facie* case. In these circumstances I accept the opponent's case and reject the applicant's denials. Consequently, the opposition based on s.3(6) succeeds and the application will be refused.

### **Costs**

39. The opponent has been successful and is entitled to a contribution towards its costs. I calculate these as follows:

Filing a notice of opposition (including the official fee) and considering the counterstatement - £600

Filing evidence and submissions in support of the opposition - £2000.

I therefore order CKL Holdings NV to pay Paper Stacked Limited the sum of £2600. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

**Dated this 19<sup>th</sup> day of September 2017**

**Allan James  
For the Registrar**